

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

BAY STATE GAS COMPANY

D.T.E. 05-27

**ATTORNEY GENERAL'S TWENTY-SEVENTH SET OF
DOCUMENT AND INFORMATION REQUESTS**

The following are the Attorney General's TWENTY-SEVENTH SET of discovery and information requests.

- AG-27-1 Please provide the workpapers, calculations, formulas, assumptions and supporting documentation that were used to determine the \$1.6 billion in service fees and project costs flowing to IBM as indicated in the NiSource June 21, 2005 press release entitled "NiSource and IBM sign agreement to transform key business process and technology functions." Please also breakdown those costs by year for each year of the ten-year agreement for each NiSource subsidiary.
- AG-27-2 Please provide the workpapers, calculations, formulas, assumptions and supporting documentation that were used to determine the \$530 million in operating and capital cost savings as indicated in the NiSource June 21, 2005 press release entitled "NiSource and IBM sign agreement to transform key business process and technology functions." Please also breakdown those operating and capital costs by year for each year of the ten-year agreement for each NiSource subsidiary.
- AG-27-3 Please provide the workpapers, calculations, formulas, assumptions and supporting documentation that were used to determine the \$35 million in one-time severance costs as indicated in the NiSource June 21, 2005 press release entitled "NiSource and IBM sign agreement to transform key business process and technology functions." Please also breakdown those costs by year for each year of the ten-year agreement for each NiSource subsidiary.
- AG-27-4 Please provide the workpapers, calculations, formulas, assumptions and

supporting documentation that were used to determine the \$35 million in transition costs as indicated in the NiSource June 21, 2005 press release entitled “NiSource and IBM sign agreement to transform key business process and technology functions.” Please also breakdown those costs by year for each year of the ten-year agreement for each NiSource subsidiary.

AG-27-5 Please provide the workpapers, calculations, formulas, assumptions and supporting documentation that were used to determine the \$50 million in governance costs as indicated in the NiSource June 21, 2005 press release entitled “NiSource and IBM sign agreement to transform key business process and technology functions.” Please also breakdown those costs by year for each year of the ten-year agreement for each NiSource subsidiary.

AG-27-6 Please provide the workpapers, calculations, formulas, assumptions and supporting documentation that were used to determine the \$21 million in one-time, non-cash pension expense related to severed employees and employees who accept positions with IBM as indicated in the NiSource June 21, 2005 press release entitled “NiSource and IBM sign agreement to transform key business process and technology functions.” Please also breakdown those costs by year for each year of the ten-year agreement for each NiSource subsidiary.

AG-27-7 Referring to Exhibit BSG/JES-1, Workpaper JES-6, page 2, please provide the workpapers, calculations, formulas, assumptions and supporting documentation used to determine line 3, Annual Wages as of Dec. 2004.

AG-27-8 Please breakdown the number of employees in the Service Company by function. Please also indicate the number of employees whose responsibilities are:

- (1) accounting;
- (2) finance;
- (3) financial analysis;
- (4) information technology;
- (5) regulatory matters;
- (6) legal;
- (7) main and service maintenance;
- (8) engineering;
- (9) distribution and / or transmission system planning;
- (10) sales forecast;
- (11) payroll; and
- (12) employee benefits.

- AG-27-9 Please indicate the number of employees at the Service Company that have the following accreditation:
- (1) Certified Public Accountant
 - (2) Attorney
 - (3) Chartered Financial Analyst
 - (4) Professional Engineer
 - (5) Phd. Economist
 - (6) Masters of Business Administration
- AG-27-10 Referring to the response to Information Request AG-3-21, please indicate the reasons for the Account 904-03 – Bad Debt Accrual – Special account. Please also identify the customer or groups of customers associated with the “Special Accrual.”
- AG-27-11 Referring to the response to Information Request AG-3-24, please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to determine the amount of Co. 12 Charges that are assigned / allocated to Bay State Gas Company during the test year.
- AG-27-12 Referring to the response to Information Request AG-3-28, please indicate the square footage associated with the vacant floor at each site.
- AG-27-13 Referring to the response to Information Request AG-4-8, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the discount rate.
- AG-27-14 Referring to the response to Information Request AG-4-9, please provide the workpapers, calculations, formulas, assumptions, studies, analyses, and all other supporting documentation that Hewitt used to determine the return on pension trust fund assets.
- AG-27-15 Referring to the response to Information Request AG-4-10, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the wage base increase factor.
- AG-27-16 Referring to the response to Information Request AG-4-18, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the discount rate.

- AG-27-17 Referring to the response to Information Request AG-4-99, please provide the workpapers, calculations, formulas, assumptions, studies, analyses, and all other supporting documentation that Hewitt used to determine the return on PBOPs trust fund assets.
- AG-27-18 Referring to the response to Information Request AG-4-10, please provide the workpapers, calculations, formulas, assumptions, studies, analyses and all other supporting documentation that Hewitt used to determine the trends in health care, medicare, and prescription drug costs.
- AG-27-19 Referring to the Company's response to Information Request AG-10-30, please provide a **complete** copy of the SBBI "Stocks, Bonds, Bills, and Inflation, 2005 Yearbook, Market Results for 1926 - 2004," as was requested in the original Information Request.

DATED: June 22, 2005.